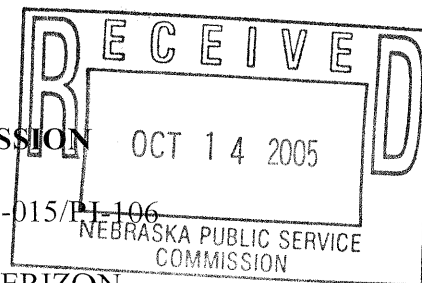


**BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION**



In the Matter of the Nebraska Public Service Commission, on its own motion, to investigate issues related to the calculation and reimbursement of costs to carriers of implementing enhanced wireless 911 service. )

Application No. 911-015/PI-106

COMMENTS OF VERIZON WIRELESS

Verizon Wireless submits the following comments in response to the Commission's Order entered August 30, 2005, inviting comments from interested parties regarding issues related to the calculation and reimbursement of costs to carriers of implementing enhanced wireless 911 service.

**ISSUE 1:** How wireless carriers determine costs associated with implementing Phase I & II 911 service.

**COMMENT:** Verizon Wireless' cost for Phase I E911 service is based primarily on three activities. The first is the non-recurring and monthly recurring charges from our mobile positioning center ("MPC") vendors for E911 deployment project management and ongoing operation of the MPC equipment and operation. These costs are a result of competitive pricing in a two-vendor system used to establish a contractual relationship and are reviewed every several years. Verizon Wireless passes through the vendor's charges, which are based on the number of cell sites within a PSAP's boundaries, and not on subscriber count information.

The second cost element is the facilities charges paid to local exchange carriers for trunking between our mobile switch and the LEC's selective router.

Third, Verizon Wireless also incurs monthly recurring expenses for its HQ staff costs that are based on the allocated costs of three people that are dedicated to the deployment and maintenance of wireless E911 throughout the country.

Verizon Wireless currently recovers these three cost components for its Phase I E911 service through quarterly cost recovery invoices to the Nebraska PSC and requests that this cost recovery process be continued. Verizon Wireless does not seek cost recovery for the costs it incurs in deploying Phase II E911 service.

**ISSUE 2:** Explain whether the wireless carrier's service cost calculations are made in the same manner as in other states.

**COMMENT:** In every state, our costs are calculated as described above.

**ISSUE 3:** Indicate whether you receive cost recovery or any kind of subsidy for implementing E911 service in other states.

**COMMENT:** While the FCC has made it clear that wireless carriers are allowed to recover their costs related to wireless E911 deployment and maintenance, state and local jurisdictions vary on the extent to which their statutes allow wireless carriers to recover their costs. Verizon Wireless seeks to recover its E911-related costs in every state to the fullest extent possible. Verizon Wireless does not obtain any kind of subsidy for implementing E911 service in any state.

**ISSUE 4:** Whether a uniform calculation should be established for cost recovery in Nebraska for wireless E911 service.

**COMMENT:** It would be difficult to establish a uniform calculation for cost recovery, because the expenses associated with deploying E911 vary widely depending the size and type of the network infrastructure, and the rates the carriers are able to negotiate with their carriers. The funding systems that are the most efficient are where wireless carriers remit the collected surcharges into a state-wide dedicated wireless E911 fund. A portion of the fund is distributed to the PSAPs based on an equitable method, such as population or subscriber count, and a portion of the fund is set aside for wireless carrier cost recovery. The remainder of the fund should be set aside for grants to under-funded PSAPs to assist in deploying wireless E911 and ongoing wireless E911 operations.

**ISSUE 5:** Other factors impacting the costs or implementation of enhanced wireless 911 service.

**COMMENT:** The reliance on wireless customers to fund E911 service through surcharge collection should be closely managed and tied to actual and reasonable costs to start-up and fund ongoing operations. It is expected that there will be higher initial start-up costs as E911 systems are deployed and as PSAPs upgrade their operations to be able to receive and use the enhancements. However, when PSAP and wireless carrier expenses associated with start-up are no longer incurred, the surcharge amount charged to subscribers should be reduced. It should be mandatory that these expenses/costs should be reviewed every several years to ensure that there is no excessive build up of funds that may be diverted for uses not related to wireless E911 deployment and ongoing operations.

## **CONCLUSION**

Since 2001, Verizon Wireless has implemented extensive network improvements throughout its nationwide network, purchased enhanced handsets, and completed a complex series of tasks to enable it to provide enhanced E911 Phase I and Phase II location services to the public. Verizon Wireless now provides Phase II E911 service to

more than 2,000 PSAPs nationwide serving an estimated population of 168 million residents in parts of 45 states and 819 counties.

Much more needs to be done to strongly encourage and support local PSAPs to take all necessary steps to upgrade their facilities to be able to receive and use these E911 improvements. Verizon Wireless also encourages this Commission to make the public aware that they may need to upgrade their older handsets to assist Public Safety in determining their location in case of an emergency. Verizon Wireless pledges its support to continue to roll out its E911 service to all customers in Nebraska.

VERIZON WIRELESS

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